

Bursa Malaysia (BURSA MK)

3Q25: Momentum Intact

Highlights

- Bursa Malaysia reported 3Q25 net profit of RM64m (-25% yoy, +12% qoq). Earnings are broadly in line, accounting 71% of our full-year forecast anticipating stronger 2H25 ADV.
- Expectations of an increasingly looser monetary policy in developed markets are expected to spur emerging market inflows, further supporting Bursa's ADV momentum, in our view.
- We remain constructive on Bursa's ADV growth outlook for 2026 and maintain our **BUY** recommendation with a **target price of RM9.80**, based on **25.5x 2026F PE** (+0.5SD above mean) to reflect the anticipated ADV upcycle.

3Q25 Results

Year to 31 Dec (RMm)	3Q25	3Q24	qoq % chg	yoy % chg	9M25	yoy % chg
Total Revenue	179.9	211.3	4.2	(14.8)	536.9	(10.3)
EBITDA	95.5	124.6	11.8	(23.4)	281.5	(19.9)
EBITDA margin (%)	54.9%	61.1%	3.7	(6.1)	52.4%	(6.3)
PBT	86.3	115.4	13.5	(25.2)	253.3	(22.0)
Net Profit	63.8	85.7	11.9	(25.5)	189.0	(21.6)
EPS (sen)	7.9	10.6	11.8	(25.6)	23.3	(21.7)
Average daily trading value (RMb)	2.59	3.52	18.5	(26.4)	2.48	(25.7)
Average daily trading volume (b)	2.99	4.07	3.5	(26.7)	3.27	(30.3)

Source: Bursa, UOB Kay Hian

Analysis

- In line.** Bursa Malaysia (Bursa) reported 3Q25 net profit of RM63.8m (-25% yoy, +12% qoq), bringing 9M25 earnings to RM189.0m (-22% yoy). Despite 9M25 earnings forming 71%, we deem the results in line, as the higher prevailing 2H25 ADV (RM2.6b vs RM2.4b in 1H25) points to stronger 2H25 performance.
- 3Q25 earnings fell 26% yoy**, driven by a 27% drop in securities trading revenue as ADV declined 26% yoy from a high 3Q24 base. Securities market velocity eased to 33% (3Q24: 44%), bringing 9M25 velocity to 32% (vs pre-COVID-19 average of 34%). Derivatives revenue declined a milder 7% on a 3% yoy fall in trading volume.
- 3Q25 earnings rose 12% qoq**, in tandem with a 13% rebound in securities market ADV to RM2.6b. Encouragingly, momentum strengthened further, with Oct 25 ADV rising to RM2.9b. We expect this trend to continue into 2026 and have accordingly pencilled in a stronger ADV forecast of RM3.0b (vs RM2.5b in 2025).

Key Financials

Year to 31 Dec (RMm)	2023	2024	2025F	2026F	2027F
Net turnover	616	784	737	808	812
EBITDA	355	446	385	448	443
Operating profit	322	411	348	410	404
Net profit (rep./act.)	252	310	265	312	308
Net profit (adj.)	252	310	265	312	308
EPS	31.2	38.4	32.7	38.5	38.1
PE	26.7	21.7	25.4	21.6	21.8
P/B	8.2	7.7	7.6	7.5	7.4
EV/EBITDA	17.3	13.6	15.8	13.5	13.5
Dividend yield	3.5	5.3	3.7	4.4	4.4
Net margin	40.9	39.5	35.9	38.6	37.9
Net debt/(cash) to equity	(69.9)	(74.5)	(76.0)	(78.2)	(80.7)
Interest cover	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	31.4	36.6	30.1	34.9	34.0
Consensus net profit			265	284	297
UOBKH/Consensus (x)			1.00	1.10	1.04

Source: Bursa, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	RM8.32
Target Price	RM9.80
Upside	+17.8%

Analyst(s)

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Stock Data

GICS Sector	Financials
Bloomberg ticker	BURSAMK
Shares issued (m)	809.3
Market cap (RMm)	6,733.4
Market cap (US\$m)	1,603.2
3-mth avg daily t'over (US\$m)	2.5

Price Performance (%)

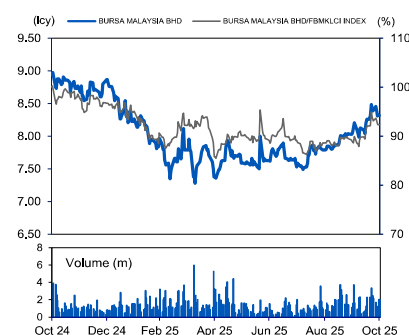
52-week high/low RM9.07/RM7.20

1mth	3mth	6mth	1yr	YTD
3.6	8.6	12.7	(7.9)	(6.5)

Major Shareholders

	%
Capital Market Development Fund	18.6
Kumpulan Wang Persaraan	11.3
EPF	11.3

Price Chart



Source: Bloomberg

Company Description

Bursa is a fully integrated stock exchange offering a wide range of exchange-related services. It also offers information services related to the Malaysian securities market.

Valuation/Recommendation

- **Maintain BUY and target price of RM9.80 (25.5x 2026F PE.)** We expect equity market sentiment to strengthen in 2026, supported by a more accommodative monetary policy, easing inflationary pressures, and a resilient macroeconomic outlook. This should foster a risk-on environment, benefitting emerging market equities and driving stronger ADV momentum for Bursa.
- **2026 ADV forecast of RM3.0b conservative compared with previous two upcycles warranting above mean PE peg.** Our slightly above-mean PE peg reflects the potential for ADV to exceed our RM3.0b forecast in the anticipated 2026 upcycle, noting that ADV ranged between RM3.15b and RM4.20b during the previous two upcycles (2024 and 2020).
- **Peak PE valuations during previous upcycles ranged between +0.5SD to +2.0SD.** Over the past 20 years, Bursa's PE valuations have typically peaked within a range of +0.5SD to +2.0SD during ADV upcycles. Assuming a mid-range peak of +1.0SD above the mean, this implies a potential stretched target price of RM10.78.

Earnings Revision/Risk

- **No changes in earnings.**
- **Risks.** Re-escalation of US–China trade tensions could trigger a shift away from risk assets, including emerging market equities, leading to lower-than-expected ADV.

Share Price Catalyst

- Stronger-than-expected ADV.
- Stronger-than-expected derivative contract volumes.

Bursa Historical Market Velocity, Adv And Market Capitalisation

Bursa Adv And Market Velocity Trend

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	9M2025
KLCI Market Cap (RMb)	1,651	1,695	1,667	1,907	1,700	1,712	1,817	1,789	1,736	1,796	2,081	2,050
ADV (RMb)	2.0	2.0	1.8	2.3	2.4	1.9	4.2	3.7	2.1	2.1	3.1	2.6
Market velocity	30%	30%	27%	32%	32%	28%	64%	49%	30%	29%	40%	32%

Source: UOB Kay Hian, Company

Environmental, Social, Governance (ESG) Updates

Environmental

- Carbon neutrality and zero greenhouse gas emission targets. Set a target to achieve carbon neutrality by 2022 and zero greenhouse gas emission by 2050.

Social

- Gender diversity. Maintained 42% females in senior management.
- Diversity, Equity and Inclusion (DEI). Established a DEI Policy in 2021 to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender.

Governance

- Non-independent board of directors composition. Composition of Independent Non-Executive Directors (INED) – 90%.

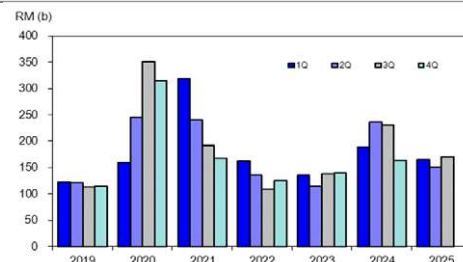
Source: Bloomberg, UOB Kay Hian

Assumptions

	2025F	2026F	2027F
Average Daily Value of Equities (RMb)	2.50	3.00	2.80
Futures Contract (m)	18.3	18.9	19.4
Dividend payout ratio (%)	95.0	95.0	95.0

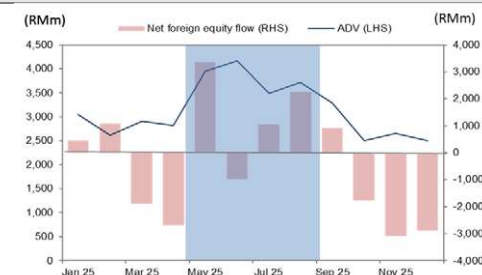
Source: Bloomberg, UOB Kay Hian

Bursa Quarterly Value Traded



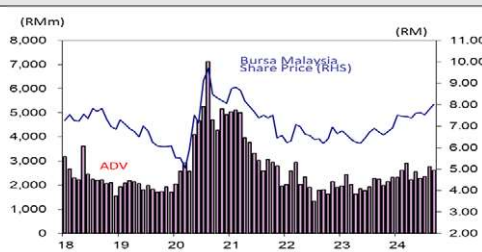
Source: Bursa Malaysia, UOB Kayhian

Bursa Adv Spikes Upwards During Periods Of Strong Net Foreign Inflows



Source: Bloomberg

Bursa Adv Vs Share Price



Source: Bloomberg

Bursa 2025 Adv Forecast

	2026F Average
Overall Market Capitalisation (RMb)	2,000
Market Velocity	37%
Total Value Traded (Market Velocity x Market Cap) (RMb)	740
Number of Trading Days	247
2025 estimated ADV (RMb)	3.00

Source: Bloomberg, UOB Kay Hian

Bursa PE Band



Profit & Loss

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Net turnover	784.3	736.8	808.1	812.2
EBITDA	446.3	384.8	447.6	443.0
Deprec. & amort.	35.4	36.5	37.6	38.7
EBIT	410.9	348.3	410.0	404.3
Net interest income/(expense)	(0.5)	0.0	0.0	0.0
Pre-tax profit	410.4	348.3	410.0	404.3
Tax	(101.7)	(83.6)	(98.4)	(97.0)
Minorities	1.5	0.0	0.0	1.0
Net profit	310.1	264.7	311.6	308.2
Net profit (adj.)	310.1	264.7	311.6	308.2

Balance Sheet

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Fixed assets	245.1	277.1	309.1	341.1
Other LT assets	143.3	142.4	154.4	166.4
Cash/ST investment	658.6	681.2	711.7	746.0
Other current assets	3,308.4	3,172.9	3,193.7	2,869.1
Total assets	4,355.4	4,273.5	4,368.9	4,122.6
ST debt	0.5	0.0	0.0	0.0
Other current liabilities	3,451.5	3,324.9	3,371.3	3,076.5
LT debt	7.4	7.4	7.4	7.4
Other LT liabilities	19.7	52.1	87.2	122.4
Shareholders' equity	873.8	886.7	900.5	914.9
Minority interest	2.5	2.5	2.5	1.5
Total liabilities & equity	4,355.4	4,273.5	4,368.9	4,122.6

Cash Flow

Year to 31 Dec (RMm)	2024	2025F	2026F	2027F
Operating	335.7	342.2	367.5	379.2
Pre-tax profit	308.6	256.3	276.8	286.3
Deprec. & amort.	35.4	36.5	37.6	38.7
Working capital changes	(12.7)	17.0	18.0	19.0
Non-cash items	4.4	32.4	35.1	35.2
Investing	(76.8)	(80.0)	(79.0)	(78.0)
Capex (maintenance)	(48.9)	(80.0)	(79.0)	(78.0)
Investments	0.0	0.0	0.0	0.0
Others	(27.9)	0.0	0.0	0.0
Financing	(252.8)	(244.0)	(262.9)	(272.9)
Dividend payments	(259.0)	(243.5)	(262.9)	(272.9)
Issue of shares	0.0	0.0	0.0	0.0
Loan repayment	0.0	(0.5)	0.0	0.0
Others/interest paid	6.1	0.0	0.0	0.0
Net cash inflow (outflow)	6.1	18.2	25.5	28.3
Beginning cash & cash equivalent	361.4	659.0	681.2	711.7
Ending cash & cash equivalent	367.5	677.2	706.7	740.0

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	56.9	52.2	55.4	54.5
Pre-tax margin	52.4	47.3	50.7	49.8
Net margin	39.5	35.9	38.6	37.9
ROA	8.1	6.1	7.2	7.3
ROE	36.6	30.1	34.9	34.0
Growth				
Turnover	27.2	(6.1)	9.7	0.5
EBITDA	25.6	(13.8)	16.3	(1.0)
Pre-tax profit	27.7	(15.1)	17.7	(1.4)
Net profit	22.9	(14.7)	17.7	(1.1)
Net profit (adj.)	22.9	(14.7)	17.7	(1.1)
EPS	22.9	(14.7)	17.7	(1.1)
Leverage				
Debt to total capital	0.9	0.8	0.8	0.8
Debt to equity	0.9	0.8	0.8	0.8
Net debt/(cash) to equity	(74.5)	(76.0)	(78.2)	(80.7)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

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